

STATE OF CALIFORNIA

DEPARTMENT OF MANAGED HEALTH CARE

HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM

		1
1.	FOR THE QUARTER ENDING:	March 31, 2002
2.	Name:	Molina Healthcare of California, Inc.
3.	File Number:(Enter last three digits) 933-0	322
4.	Date Incorporated or Organized:	March 27, 1989
5.	Date Licensed as a HCSP:	March 14, 1994
6.	Date Federally Qualified as a HCSP:	n/a
7.	Date Commenced Operation:	April 1, 1989
8.	Mailing Address:	One Golden Shore Drive, Long Beach, CA 90802
9.	Address of Main Administrative Office:	One Golden Shore Drive, Long Beach, CA 90802
10.	Telephone Number:	(562) 435-3666
11.	HCSP's ID Number:	33-0342719
12.	Principal Location of Books and Records:	One Golden Shore Drive, Long Beach, CA 90802
13.	Plan Contact Person and Phone Number:	Harvey Fein
14.	Financial Reporting Contact Person and Phone Number:	(562) 435-3666
15.	President:*	George Stephen Goldstein, PhD
16.	Secretary:*	Mark L. Andrews
17.	Chief Financial Officer:*	Harvey Fein
18.	Other Officers:*	Mary Martha Bernadett, MD
19.		Charles Signorino, MD
20.		
21.		
22.	Directors:*	Mary Martha Bernadett, MD
23.		Tirso del Junco, MD
24.		George Stephen Goldstein, PhD
25.		Ronald Lossett
26.		Joseph Mario Molina, MD
27.		Frank Murray, MD
28.		Gregg Whelan
29.		Mary Pat Yatsko
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32. President	George Stephen Goldstein, PhD
33. Secretary	Mark L. Andrews
34. Chief Financial Officer	Harvey Fein

* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.

35. Check if this is a revised filing:

36. If all dollar amounts are reported in thousands (000), check here

Check My Work.

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM
SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="v"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	Yes <input type="button" value="v"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No <input type="button" value="v"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="v"/>
5.	Are there any significant changes reported on Schedule G, Section III?	Yes <input type="button" value="v"/>
6.	If "yes", describe:	

STATEMENT AS OF 3-31-2002 OF 933-0322 Molina Healthcare of California, Inc.

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	39,438,861
2. Short-Term Investments	1,497
3. Premiums Receivable - Net	
4. Interest Receivable	23,534
5. Shared Risk Receivables - Net	502,752
6. Other Health Care Receivables - Net	24,332,506
7. Prepaid Expenses	260,873
8. Secured Affiliate Receivables - Current	5,296
9. Unsecured Affiliate Receivables - Current	1,202,312
10. Aggregate Write-Ins for Current Assets	1,816,769
11. TOTAL CURRENT ASSETS (Items 1 to 10)	67,584,400
OTHER ASSETS:	
12. Restricted Assets	1,441,278
13. Long-Term Investments	1,033,317
14. Intangible Assets and Goodwill - Net	4,547,194
15. Secured Affiliate Receivables - Long-Term	314,917
16. Unsecured Affiliate Receivables - Past Due	0
17. Aggregate Write-Ins for Other Assets	1,243,817
18. TOTAL OTHER ASSETS (Items 12 to 17)	8,580,523
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	4,883,442
20. Furniture and Equipment - Net	615,667
21. Computer Equipment - Net	12,005
22. Leasehold Improvements -Net	1,565,931
23. Construction in Progress	
24. Software Development Costs	
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	7,077,045
27. TOTAL ASSETS	83,241,968
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Inventory	366,581
1002. Other Current Assets	68,133
1003. Prepaid Income Taxes	0
1004. Deferred Tax Asset	1,382,055
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	1,816,769
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Deferred Tax Asset	969,682
1702. Deposits	274,135
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	1,243,817
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 3-31-2002 OF 933-0322 Molina Healthcare of California, Inc.

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	977,107	XXX	977,107
2. Capitation Payable	926,637	XXX	926,637
3. Claims Payable (Reported)	12,353,968	234,114	12,588,082
4. Incurred But Not Reported Claims	12,529,735	237,445	12,767,180
5. POS Claims Payable (Reported)			0
6. POS Incurred But Not Reported Claims			0
7. Other Medical Liability	8,699,668		8,699,668
8. Unearned Premiums		XXX	0
9. Loans and Notes Payable	51,736	XXX	51,736
10. Amounts Due To Affiliates - Current	0	XXX	0
11. Aggregate Write-Ins for Current Liabilities	5,330,289	0	5,330,289
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	40,869,140	471,559	41,340,699
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)	3,336,718	XXX	3,336,718
14. Loans and Notes Payable (Subordinated)		XXX	0
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term	113,673	XXX	113,673
17. Aggregate Write-Ins for Other Liabilities	1,055,145	XXX	1,055,145
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	4,505,536	XXX	4,505,536
19. TOTAL LIABILITIES	45,374,676	471,559	45,846,235
NET WORTH			
20. Common Stock	XXX	XXX	547,842
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	36,847,890
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	1
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	37,395,733
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	83,241,968
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. Income Taxes Payable	2,433,332		2,433,332
1102. Accrued Payroll Liabilities	2,026,678		2,026,678
1103. Other Accrued Expenses	870,279		870,279
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	5,330,289	0	5,330,289
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701. Deferred Compensation	676,889	XXX	676,889
1702. Malpractice Reserve	242,000	XXX	242,000
1703. Provider Deposit	135,000	XXX	135,000
1704. Other Long Liabilities	1,256	XXX	1,256
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	1,055,145	XXX	1,055,145
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501. Unrealized Gain or Loss	XXX	XXX	1
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	1

STATEMENT AS OF 3-31-2002 OF 933-0322 Molina Healthcare of California, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	-18,500	-18,500
2. Capitation		
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare		
5. Title XIX - Medicaid	72,828,285	72,828,285
6. Fee-For-Service	407,628	407,628
7. Point-Of-Service (POS)		
8. Interest	204,450	204,450
9. Risk Pool Revenue	0	0
10. Aggregate Write-Ins for Other Revenues	1,936,818	1,936,818
11. TOTAL REVENUE (Items 1 to 10)	75,358,681	75,358,681
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated		
13. Inpatient Services - Per Diem		
14. Inpatient Services - Fee-For-Service/Case Rate	13,915,224	13,915,224
15. Primary Professional Services - Capitated	19,042,653	19,042,653
16. Primary Professional Services - Non-Capitated	12,187,506	12,187,506
17. Other Medical Professional Services - Capitated	2,166,108	2,166,108
18. Other Medical Professional Services - Non-Capitated	6,759,881	6,759,881
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS	99,649	99,649
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service	7,898,807	7,898,807
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	274,312	274,312
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	62,344,140	62,344,140
Administration		
25. Compensation	1,667,885	1,667,885
26. Interest Expense	75,929	75,929
27. Occupancy, Depreciation and Amortization	484,770	484,770
28. Management Fees		
29. Marketing	612,443	612,443
30. Affiliate Administration Services	3,768,680	3,768,680
31. Aggregate Write-Ins for Other Administration	732,558	732,558
32. TOTAL ADMINISTRATION (Items 25 to 31)	7,342,265	7,342,265
33. TOTAL EXPENSES	69,686,405	69,686,405
34. INCOME (LOSS)	5,672,276	5,672,276
35. Extraordinary Item		
36. Provision for Taxes	2,282,700	2,282,700
37. NET INCOME (LOSS)	3,389,576	3,389,576
NET WORTH:		
38. Net Worth Beginning of Period	34,006,157	34,006,157
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	3,389,576	3,389,576
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	37,395,733	37,395,733

STATEMENT AS OF 3-31-2002 OF 933-0322 Molina Healthcare of California, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001. Healthy Families Revenue	1,946,338	1,946,338
1002. Other Income	-65	-65
1003. Other Expenses	-9,455	-9,455
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	1,936,818	1,936,818
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301. Other Medical Expense	274,312	274,312
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	274,312	274,312
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101. See Attached	732,558	732,558
3102.		
3103.		
3104.		
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	732,558	732,558
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS (Direct Method)

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation		
2. Fee-For-Service		
3. Title XVIII - Medicare Premiums		
4. Title XIX - Medicaid Premiums		
5. Investment and Other Revenues		
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses		
8. Administration Expenses		
9. Federal Income Taxes Paid		
10. Interest Paid		
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	0	0
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets		
13. Proceeds from Investments		
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets		
16. Payments for Investments		
17. Payments for Property, Plant and Equipment		
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	0	0
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates		
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	0	0
28. CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
29. CASH AND CASH EQUIVALENTS AT END OF PERIOD	0	0
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	3,389,576	3,389,576
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization		
32. Decrease (Increase) in Receivables		
33. Decrease (Increase) in Prepaid Expenses		
34. Decrease (Increase) in Affiliate Receivables		
35. Increase (Decrease) in Accounts Payable		
36. Increase (Decrease) in Claims Payable and Shared Risk Pool		
37. Increase (Decrease) in Unearned Premium		
38. Aggregate Write-Ins for Adjustments to Net Income	0	0
39. TOTAL ADJUSTMENTS (Items 31 through 38)	0	0
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	3,389,576	3,389,576
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801.		
3802.		
3803.		
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

	1	2
	Current Period	Year-to-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
1. Net Income (Loss)	3,389,576	3,389,576
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
2. Depreciation and Amortization	420,214	420,214
3. Unrealized Gains/Losses on Equity Securities	-1	-1
4. Gain/Loss on Sale of Assets	-745	-745
5. Deferred Income Taxes	0	0
CHANGE IN OPERATING ASSETS AND LIABILITIES		
(Increase) Decrease in Operating Assets:		
6. Receivables	-10,600,824	-10,600,824
7. Prepaid Expenses	179,605	179,605
8. Affiliate Receivables	-941,034	-941,034
9. Aggregate write-ins for (increase) decrease in operating assets	1,294,672	1,294,672
Increase (Decrease) in Operating Liabilities:		
10. Trade Accounts Payable	-2,048,136	-2,048,136
11. Capitation Payable	-212,977	-212,977
12. Claims Payable and IBNR	2,067,840	2,067,840
13. Other Medical Liability	2,126,393	2,126,393
14. Unearned Premiums		
15. Affiliate Payables	12,709	12,709
16. Aggregate write-ins for increase (decrease) in operating liabilities	132,914	132,914
17. NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	-4,179,794	-4,179,794
CASH FLOW FROM INVESTING ACTIVITIES		
18. Proceeds from Restricted Cash and Other Assets	0	0
19. Proceeds from Investments	0	0
20. Proceeds for Sales of Property, Plant, and Equipment	0	0
21. Payments for Restricted Cash and Other Assets	-11,410	-11,410
22. Payments for Investments	-72,378	-72,378
23. Payments for Property, Plant, and Equipment	-241,077	-241,077
24. Aggregate write-ins for cash flow provided by investing activities	0	0
25. NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	-324,865	-324,865
CASH FLOW FROM FINANCING ACTIVITIES		
26. Proceeds from Paid-in-Capital or Issuance of Stock		
27. Loan Proceeds from Non-Affiliates		
28. Loan Proceeds from Affiliates		
29. Principal Payments on Loans from Non-Affiliates	-12,258	-12,258
30. Principal Payments on Loans from Affiliates	-4,864	-4,864
31. Dividends Paid		
32. Principal Payments under lease obligations		
33. Aggregate write-ins for cash flow provided by financing activities	-3,160	-3,160
34. NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	-20,282	-20,282
35. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-4,524,941	-4,524,941
36. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	43,963,802	43,963,802
37. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	39,438,861	39,438,861

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 9 FOR (INCREASE) DECREASE IN OPERATING ASSETS		
901. Inventory	-77,583	-77,583
902. Prepaid Taxes	1,374,500	1,374,500
903. Other Current Assets	-2,245	-2,245
998. Summary of remaining write-ins for Item 9 from overflow page		
999. TOTALS (Items 901 thru 903 plus 998)	1,294,672	1,294,672
DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR INCREASE (DECREASE) IN OPERATING LIABILITIES		
1601. Payroll Accruals	-470,043	-470,043
1602. Income Taxes Payable	0	0
1603. Other Current Liabilities	602,957	602,957
1698. Summary of remaining write-ins for Item 16 from overflow page		
1699. TOTALS (Items 1601 thru 1603 plus 1698)	132,914	132,914
DETAILS OF WRITE-INS AGGREGATED AT ITEM 24 FOR CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Item 24 from overflow page		
2499. TOTALS (Items 2401 thru 2403 plus 2498)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 33 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
3301. Accrued Long Term Liabilities	-3,160	-3,160
3302.		
3303.		
3398. Summary of remaining write-ins for Item 33 from overflow page		
3399. TOTALS (Items 3301 thru 3303 plus 3398)	-3,160	-3,160

REPORT #4: ENROLLMENT AND UTILIZATION TABLE

TOTAL ENROLLMENT

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)				0				0		#DIV/0!	
2. Medicare Risk				0				0		#DIV/0!	
3. Medi-Cal Risk	244,969	42,280	31,194	256,055	758,545	282,631	37,332	319,963	12,803	202.5404	3.263574
4. Individual				0				0		#DIV/0!	
5. Point of Service				0				0		#DIV/0!	
6. Aggregate write-ins for Other	10,239	134	0	10,373	30,842	76,337	19,866	96,203	77	29.95915	
7. Total Membership	255,208	42,414	31,194	266,428	789,387	358,968	57,198	416,166	12,880	195.7975	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Healthy Families	10,239	134		10,373	30,842	76,337	19,866	96,203	77	29.95915	2.75
602.				0						#DIV/0!	
603.				0						#DIV/0!	
Summary of remaining write-ins for 698. Item 6 from overflow page				0						#DIV/0!	
Totals (lines 601 through 603 plus 699. 698) (Line 6 above)	10,239	134	0	10,373	30,842	76,337	19,866	96,203	77	29.95915	

SCHEDULE A-1 (CASH)

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. See Attached Schedule		39,429,765
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9. Total Cash on Deposit		39,429,765
10. Cash on Hand (Petty Cash)		4,548
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		39,434,313

SCHEDULE A-2 RESTRICTED ASSETS

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. Pacific Western National Bank	111013	100,000
13. Union Bank	2899007195	100,000
14. US Bank	353403663720	100,000
15. Pacific Western National Bank	115902	141,278
16. Standard Federal Bank	79-S151-20-3	1,000,000
17.		
18.		
19. Total Restricted Assets		1,441,278

* Indicate the Balance Per the HMO's Records

STATEMENT AS OF 3-31-2002 OF 933-0322 Molina Healthcare of California, Inc.

SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable

	1 Name of Debtor	2 31-60 Days	3 61-90 Days	4 Over 90 Days	5 Total
1.	None				0
2.					0
3.					0
4.					0
5.					0
6.					0
7.					0
8.					0
9.					0
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41.					0
42.					0
43.					0
44.					0
45.					0
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47.					0
48.					0
49.					0
50.					0
51.					0
52.					0
53.					0
54.					0
55.	Total - Individual Listed Receivables	0	0	0	0

STATEMENT AS OF 3-31-2002 OF 933-0322 Molina Healthcare of California, Inc.

SCHEDULE D
HEALTH CARE RECEIVABLES &
AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES

Individually list all debtors with account balances greater than 10% of gross Receivables

	1 Name of Debtor	2 31-60 Days	3 61-90 Days	4 Over 90 Days	5 Total
1.	None				0
2.					0
3.					0
4.					0
5.					0
6.					0
7.					0
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37.					0
38.					0
39.					0
40.					0
41.					0
42.					0
43.					0
44.					0
45.					0
46.					0
47.					0
48.					0
49.					0
50.					0
51.					0
52.					0
53.					0
54.					0
55.	Total - Individual Listed Receivables	0	0	0	0

STATEMENT AS OF 3-31-2002 OF 933-0322 Molina Healthcare of California, Inc.

SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter on the line titled, "Aggregate Accounts Not Individually Listed-Due." Report accounts payable from the initial date of billing or due date under contract.

	1 Name of Debtor	2 31-60 Days	3 61-90 Days	4 91-120 Days	5 Over 120 Days	6 Total
1.	None					0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.	Total - Individual Listed Payables	0	0	0	0	0

SCHEDULE G - UNPAID CLAIMS ANALYSIS

SECTION I - CLAIMS UNPAID

	1	2	3
Type of Claim	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims	2,260,097	10,327,985	12,588,082
2. Physician Claims	1,877,579	10,889,601	12,767,180
3. Referral Claims			0
4. Other Medical			0
5. TOTAL	4,137,676	21,217,586	25,355,262

SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year			7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year	6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	
6. Inpatient Claims					0	
7. Physician Claims					0	
8. Referral Claims					0	
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED*

1 Month Ending	2	3	4	5	6	7
	Beginning Balance Number of Claims in inventory on the 1st of each month	Add - Claims Received during the month	Deduct - Claims paid during the month	Deduct - Claims denied during the month	Add/Deduct - Adjustments	Ending Balance Number of claims in inventory at the end of the month
11. January	19,240	29,450	17,754	6,216	3,187	27,907
13. February	27,907	29,778	20,991	7,221	1,077	30,550
14. March	30,550	36,344	26,891	8,311	-1,542	30,150
15. April						0
16. May						0
17. June						0
18. July						0
19. August						0
20. September						0
21. October						0
22. November						0
23. December						0

* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

SCHEDULE H - AGING OF ALL CLAIMS

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

	1	2	3	4	5	6
	Month Ending	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
1.						
2.	January	27,631	269	7	0	27,907
3.	February	30,223	322	5	0	30,550
4.	March	29,782	351	17	0	30,150
5.	April					0
6.	May					0
7.	June					0
8.	July					0
9.	August					0
10.	September					0
11.	October					0
12.	November					0
13.	December					0

STATEMENT AS OF 3-31-2002 OF 933-0322 Molina Healthcare of California, Inc.

SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Liability (Based on plan's lag table)
1. Current		XXX	0	
2. Previous			0	
3. Previous			0	
4. Previous			0	
5. Previous			0	
6. Previous			0	
7. Previous			0	
8. Previous			0	

* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 6.

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NOTES TO FINANCIAL STATEMENTS	
1.	See Attached Notes
2.	
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STATEMENT AS OF 3-31-2002 OF 933-0322 Molina Healthcare of California, Inc.

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.					
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	Name of Debtor	Nature of Relationship	Nature of Receivable	Amount	Terms
2.	Molina Affiliates	Affiliate	Loan, Advance	1,202,312	None
3.	Molina Sibling Trust	Related Party	Loan, Advance	0	None
4.	Molina Family Trust	Related Party	Loan, Advance	0	None
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	Donor's Name	Affiliation with Reporting Entity	Valuation Method	Amount	
7.					
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	Creditor's Name	Affiliation with Reporting Entity	Summary of How Obligation Arose	Amount	
12.					
13.					
14.					
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$	37,395,733
17.	Add: Subordinated Debt			\$	0
18.	Less: Receivables from officers, directors, and affiliates			\$	1,202,312
19.	Intangibles			\$	6,898,931
20.	Tangible Net Equity (TNE)			\$	29,294,490
21.	Required Tangible Net Equity (See Page 22)			\$	8,858,266
22.	TNE Excess (Deficiency)			\$	20,436,224
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$	75,163,752
24.	Administrative Costs			\$	7,342,265
25.	Percentage				9.77 %
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	2,744,719
27.	Total costs for health care services for the immediately preceding six months:			\$	116,058,992
28.	Percentage				2.36 %

		1
G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:		\$
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:		\$
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:		\$
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:		\$
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34.	Cash & cash equivalents maintained	\$
35.	Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$
36.	Cash & cash equivalents reported to be maintained (120% x Line 34)	\$
37.	Deposit required (100% of Line 36)	\$
38.	Excess (deficient) reserves (Line 34 - Line 37)	\$
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts		\$
40. Total premium revenue earned		\$
41. Percentage		%
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees		\$
43. Total health care expenditures		\$
44. Percentage		%
45. Point-of-Service Enrollment at end of period		
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		
47. Non-Physician		
48. Total		
49. Total Patient Days Incurred for Point-of-Service enrollees		
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		
51. Average Length of Stay for Point of Service enrollees		
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:		\$
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts		\$
55. Total		\$
56. Total times 120%		\$
57. Deposit (Greater of Line 4 or minimum of \$200,000)		\$

STATEMENT AS OF 3-31-2002 OF 933-0322 Molina Healthcare of California, Inc.

REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:
TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

	Full Service Plans		Specialized Plans	
		1		2
A. Minimum TNE Requirement	\$	1,000,000	Minimum TNE Requirement	\$ 50,000
B. REVENUES:				
1. 2% of the first \$150 million of annualized premium revenues	\$	3,000,000	2% of the first \$7.5 million of annualized premium revenue	\$
Plus			Plus	
2. 1% of annualized premium revenues in excess of \$150 million	\$	1,506,550	1% of annualized premium revenue in excess of \$7.5 million	\$
3. Total	\$	4,506,550	Total	\$
C. HEALTHCARE EXPENDITURES:				
4. 8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$	6,631,830	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$
Plus			Plus	
5. 4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$	0	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$
Plus			Plus	
6. 4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$	2,226,436	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$
7. Total	\$	8,858,266	Total	\$
8. Required "TNE" - Greater of "A" "B" or "C"	\$	8,858,266	Required "TNE" - Greater of "A" "B" or "C"	\$

KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64

POINT OF SERVICE "ADJUSTED" TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

		1
1. Net Equity	\$	NA
2. Add: Subordinated Debt	\$	
3. Less: Receivables from officers, directors, and affiliates	\$	
4. Intangibles	\$	
5. Tangible Net Equity (TNE)	\$	
6. Required Tangible Net Equity (From Line 18 below)	\$	
7. TNE Excess (Deficiency)	\$	
ADJUSTED REQUIRED MINIMUM TANGIBLE NET EQUITY CALCULATION:		
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	
10. Add lines 8 and 9	\$	
11. Multiply line 10 by 130% ADJUSTED REQUIRED MINIMUM TNE	\$	
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):		
PART A		
12. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	
13. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	
14. Add lines 12 and 13	\$	
15. Multiply line 14 by 130%	\$	
PART B		
16. Unadjusted minimum TNE as calculated under Rule 1300.76 (a)(3)	\$	
17. Multiply line 16 by 130%	\$	
18. Greater of Part II, Lines 15 or 17 ADJUSTED REQUIRED MINIMUM TNE (To Line 6 above)	\$	

STATEMENT AS OF 3-31-2002 OF 933-0322 Molina Healthcare of California, Inc.

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text" value="na"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text"/>	<input type="text"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text"/>	\$ <input type="text"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text"/>	\$ <input type="text"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text"/>	\$ <input type="text"/>
13. Total	\$ <input type="text"/>	\$ <input type="text"/>